

KBC Newsletter

Kirkuk Business Center



Special Points of Interest:

- FedEx in Kirkuk?
- Iftar Business Bazaar
- Who's who in the KBC:
Meet the new KBC Staff.
- The Next Generation of
Soft Drinks



The passenger terminal is one of the landmark buildings in Kirkuk.

All Aboard, Last Call For the Train Terminal!

The window of opportunity is beginning to close on the finest property in Kirkuk. The city of Kirkuk has received interest from multiple investors and bidding for a long term lease will soon open to the general public. Once the trains and airport begin to accept passengers, this will be the destination for local and international businessmen traveling in the area and the casual traveler. In the short term, relatively minor renovations could lead to a windfall of commerce in a city of 1 million residents who live atop of 4% of the world's oil reserve.

The train terminal is more than a simple quick stop for travelers. It is a complex which includes the terminal, office space, hotel, and security facilities. The grounds are surrounded by open land with one gated access road.

The entire complex has a permanent security force provided by the transportation authority police. It is in a prime location with easy access to the downtown area, yet not so close that traffic is a problem. It is located less than 1 kilometer from the Kirkuk airport, but is not on the flight route of aviation traffic.

The Kirkuk Train station was built in 1986 by the Hyundai Corporation. It is the last stop on the line from Baiji with ties to Baghdad and points south. The train station building is a large, two story, modern building with a partial basement. It contains offices, passenger receiving areas, baggage handling and storage areas, and controls for local train movements. The second floor overlooks the grand lobby, formerly used to house local

shops, contains multiple vacant rooms. The largest room once served as a restaurant. The restaurant has intact glass walls overlooking the compound and could serve and seat several hundred people. Located adjacent to the terminal is a 48 room hotel that is also available for leasing to interested investors. It is positioned to be the rest stop of choice for businessmen who wish to rest in a safe and secure location with easy access to fine dining and their railway or airline mode of transportation.

Structurally, the terminal is in excellent condition. With little effort and upfront expenditures an investor can own what is presently the finest structure in Kirkuk and position himself for Iraq's coming transportation Revolution.

Iraq Financially Connects to the World

Since 1991, foreign investors have been handicapped by the absence of any type of vehicle for moving investment capital into Iraq. In 1991 sanctions closed Iraqi banks around the world. Those sanctions financially closed the door to Iraq. Since then, it has been impossible to move money into or out of Iraq. Today the door is again open.

For the first time since 1991, it is now possible for a foreign investor to move money across the border and invest in the reconstruction of Iraq. There are currently two services that allow one to move money into Iraq.

The Citibank in Amman, Jor-

dan offers delivery of cash directly to the office of a beneficiary in Iraq. While this may prove to be expensive, it is the most convenient way to get cash to a local partner. Cash can be delivered to a bank or directly to an office of your choosing.

The Export & Finance bank in Amman also offers a service to help people invest in Iraq. With the Export & Finance bank, cash can be wired directly from Amman to the Baghdad bank main branch. From there the money can be transferred to any Baghdad Bank branch in Iraq.

The Baghdad Bank has an operating branch in Kirkuk and can

be contacted via the Commercial Expansion office of the Kirkuk Department of Economic Development. Additionally, the Kirkuk Business Center can always be of assistance in providing an investor with access to the Iraqi and local financial vehicles.

For information on Citibank services for moving cash into Iraq, contact Citibank Amman at 962 6 567 5100. For information on the Baghdad bank service contact Baghdad Bank at 962 6 569 4250. For any assistance on investment vehicles in Kirkuk contact Rich Thomas at richard.thomas@setaf.army.mil.

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Royal Jordanian Airlines – “How to get Here!”

Air travel into Iraq is now possible and is the easiest way to get into the country. While full service commercial carriers are not yet permitted to land at Iraq's several international airports, CPA has plans to implement service into the Baghdad, Basra, and Mosul airports. Presently, non-military flights are restricted to government officials, contractors, humanitarian assistance personnel, and business people with a legitimate reason for traveling to Iraq.

Kirkuk itself has plans to offer first cargo then passenger service from its airport in the future. The responsible authorities are currently in negotiation with CPA, third country aviation authorities, and an airline interested in refurbishing the terminal and offering a charter service.

In the meantime, the brightest news is that the UN and CPA both operate regularly scheduled charter flights from Amman, Jordan's Markka regional airport to Baghdad International six times a week (every day except Saturday). Tickets can be purchased from the Royal Jordanian offices located in the ground floor shopping arcade of the Intercontinental Hotel in Amman Jordan. The price of a one-way ticket is around \$360 and flight time is approximately 1 hour and 45 minutes. Advance purchase from the office is required as seats fill quickly. This charter service provided by Royal Jordanian Airlines is the recommended way to enter Iraq.

Upon arrival in Baghdad, you will have to have prior coordination for someone to either meet you at the NGO Terminal at the airport or at the front gate of the airport itself. In order to have access to the NGO Terminal

your receiving party must have authorization from CPA authorities in Baghdad.

For official travelers, the Agency for International Development (USAID) also offers 14 seats on flights from Kuwait and Amman to Baghdad for USAID and contractor personnel as well as other humanitarian and diplomatic organizations.

It is strongly recommended that you plan well in advance for your trip in particular how you will be received at Baghdad's NGO Terminal.

For more information, contact Cameron Sellers in Baghdad at

“...the brightest news is that the UN and CPA both operate regularly scheduled charter flights from Amman, Jordan's Markka regional airport to Baghdad International six times a week...”

KBC Events

“So who are those new faces in the KBC?”

The KBC wants to welcome the new members to our staff. Please welcome: Siba Damman, Lynda Yako, Awesome Allosee, Vivienne Lazar, Sa'ad Murtadha and Louis Yako. These new employees were chosen from a large pool of candidates because of their business interest, credentials, and overall expertise. They will be the ones to lead the economic development of Kirkuk in the coming years.

Siba Damman has a bachelor's degree in engineering and has been a resident in Kirkuk for the past twenty years. Siba will assume a greater portion of the financial matters of the center.

Lynda Yako is a recent graduate from the University of Baghdad where she graduated with a microbiology. She will organize and

provide depth to the business development side of the center.

Awesome Allosee, whose name even exudes great potential, is a student of Baghdad College. He previously worked for a trading company in Baghdad and was responsible for the importation of goods from Taiwan. He is currently taking a reprieve from schooling to obtain a bit of experience under his belt choosing to learn about private investment in Kirkuk.

Vivienne Lazar's experience and background in law is a great addition to the Business Center. She will assist the Business Development Commission doing law research and assist in contract negotiations.

Now our final two new team members are not new at all, however we have never had the opportunity to formally introduce them.

Sa'ad Murtadha joined the KBC staff in its infant stages, helping develop and tailor the center into a professional organization. His assistance to the team serving as the Current Action Manager has already been recognized by the staff. The other original member of the KBC is Louis Yako. Louis is currently attending college at Baghdad University where he is studying linguistics. In the KBC he serves as the chief linguist and is responsible for translating the most important technical documents of the Kirkuk Directorate of Economic Development. From highly technical financial regulations to multi-million dollar business contracts, Louis fills a vital role in the center.

We are glad to welcome them to the team, anticipating their hard work and diligence they will bring to the KBC.



The new staff of the KBC. From left to right: Linda Yako, Siba Damman, Awesome Allosee, Vivienne Lazar, and Sa'ad Murtadha. Not pictured is Louis Yako.

FedEx is here...



Your friendly FedEx courier in Iraq delivering to the world.

Life in Iraq has recently taken a big step towards towards normalcy with the introduction of regular FedEx courier service. This new service is being introduced to Kirkuk and local affiliate is taking office space for a drop-off/pick-up in the Kirkuk-Post Office building in the center of the city's commercial district.

Federal Express has been delivering packages in Iraq since August of this year through their Global Service Provider, Falcon Express, Inc. The soldiers and civilians of the coalition, along with residents of Iraq, have been the happy recipients of FedEx's delivery services for the past

several months. FedEx, a U.S. based company, sees Iraq as a good and improving market for its package courier service. Through FedEx, companies and individuals in Iraq can send packages anywhere that FedEx goes; a reality that was non-existent just a few months ago. According to Mark Farage, Falcon Express's Business Development Executive in Iraq, "this reach is indispensable in helping establish Iraq as a viable global business partner for international firms."

FedEx allows a customer to send a shipment from Iraq and track it's progress through the

FedEx system, via FedEx's internet site <http://www.fedex.com>, to destinations across the globe. Average transit times of three to four business days between the United States and Iraq mean that customers on both ends have the possibility to send and receive shipments in an expedited manner. FedEx is currently operating flights in and out of Baghdad, Kirkuk, and Tallil with ground service spanning the entire country - making the FedEx motto "delivering the world on time" a modern day reality in Iraq.

Interest in Kirkuk's Soft Drink Industry is Bubbling Over!



One of the many products produced locally for general consumption.

As mentioned in the 15 October issue of the newsletter, interest is beginning to rise for the soft drink market in Kirkuk. For a large percentage of Kirkuk's one million inhabitants, soft drinks are the beverage of choice. With low labor and raw material costs, it is no surprise that investors have quickly identified this industry as an attractive investment option. The profit potential in this industry is clearly evident. Additionally, Kirkuk's suitability as a logistics hub means that product produced here can easily reach other national and international markets.

Kirkuk is home to three soft drink factories. There are two wholly privately owned and a third, the Northern Bottling Company branch (based out of Mosul) with 20% of its shares held by the government. One of the companies is fully functioning while other two are renovating their lines. However, all three are interested in finding a partner to help them modernize and introduce a canning line.

Three investors from Iraq, Europe, and the US respectively are in discussions to either renovate or construct new factories in Kirkuk to include the installa-

tion of a canning line. The canning line is a lucrative addition with cans having twice the retail value of bottles and are customer preferred.

The options for investment include the establishment of a new factory, renovation of the two private factories, or negotiating to take a majority stake in the Northern Bottling Company. If you are interested in entering this market, email kbc_kirkuk@yahoo.com. To not miss the window of opportunity, it is recommended that an interested investor come to Kirkuk to expedite.

The Mini-Mart Comes to Kirkuk

Thoughts of investing in petrol stations in Kirkuk elicit the old retail marketing adage of "location, location, location". The facts are that Kirkuk sits atop of 6% of the world's proven oil reserve and is connected via pipeline and road to the country's largest refinery. The city alone has almost a million residents who are increasingly able to afford cars and to use them. What better place to open a petrol station than right at the source of the oil that also has a

vibrant market where the non-state subsidized price for a liter of petrol is \$0.10.

The operational petrol stations in this city are few in number often with long lines of eager consumers. At one time, Kirkuk had enough gas stations to meet demand. War damage has resulted in many of state-owned stations to cease operations. These stations are now up for lease from the Ministry of Oil and are prime targets for

new private developers.

Particularly lacking in Kirkuk is a gas station/mini market model so common in many countries. Potential exists to use Kirkuk's cost advantage and market to create a brand of such convenience petrol stations. Kirkuk is an ideal location from which to launch such an investment project. If you are interested in this business opportunity, email us at kbc_kirkuk@yahoo.com or come visit the KBC in Kirkuk.

"...location, location, location..."

Private Business Associations Page

The intent of the Private Business Associations Page is to allow a greater voice for the organized voice of Kirkuk's businesses. The groups highlighted here, the Chamber of

Commerce and the Kirkuk Contractors Union (KCU), are effective mechanisms for business development in Kirkuk and an ideal source for venture partners. The articles

presented in this edition of the newsletter are submitted and written by the respective associations.

The Chamber's Voice



The first Business Forum held Tuesday 11 Nov 03 at the Qasr Kirkuk Hotel in downtown Kirkuk.

The Kirkuk Chamber was proud to be involved in the launch of the Business Forum, a monthly gathering of Kirkuk businesspeople and those interested in doing business in our city. The event was co-sponsored by the Chamber and the Kirkuk Contractors Union and will be held during the first week of every month at the Qasr Kirkuk Hotel in downtown Kirkuk. This social event is intended to gather Kirkuk's local community of investors, contractors, and businessmen to discuss current and upcoming opportunities for business within Kirkuk. Non-Kirkuk businesses interested in participating should contact either

the Chamber or the KCU for invitations.

The turnout for the first business forum was extraordinary with over 150 persons in attendance including the special guest for the evening – the Governor of Kirkuk. Introductory remarks were made at 5:30 followed by the breaking of the Ramadan fast with a traditional meal. The good food was followed by an industry targeted brief where 6 investment topics were discussed in detail. The intent of the brief is to develop interest among businesspeople present to undertake the project. The projects range in value from \$10,000 to \$200,000 and included the cement factory, the

salt factory, and the bottling factory.

We will continue to host the Business Forums because we are convinced of the need to effectively communicate the opportunities for business development in Kirkuk. We also firmly believe that Kirkuk businesses, either on their own or in partnership with outsiders, are the best positioned to take advantage of these opportunities.

Kirkuk Chamber of Commerce
Sabahattin Al Salihi, President
212-703 (Kirkuk)
al_salihi@hotmail.com

In this section we discuss several business opportunities in Kirkuk. The intent is to link local Iraqi businesses with investors interested in making money in Kirkuk and rebuilding Iraq.

Each edition of the newsletter will introduce new business opportunities. This list is not a complete picture of opportunities in Kirkuk, but

represents a sampling of business proposals that come through our offices.

Investors who decide to pursue these ventures are not required to invest the entire amount. Ideally, multiple investors will become involved to share the cost and risks of the following projects.

The totals requested are approximate and will vary depending on the extent of the renovations that you see fit for a profitable business. If more information concerning any of the following projects, email kbc_kirkuk@yahoo.com with "KBC Classified" in the subject line

Classified Section

AIRPORT DEVELOPMENT

Kirkuk Air Service

Project Description:

Kirkuk's airport is currently operating exclusively for Coalition Forces.

Civilian companies such as DHL and FedEx are flying supplies supporting the military. The Coalition is supporting efforts to introduce civilian traffic to the airport. Short-term, chartered service and civilian air cargo are the most expedient method to begin commercial traffic. Airlines and air cargo companies have visited Kirkuk and were impressed by

the available facilities and runway.

Interested Investors

Caucasus Airlines
MNG Airlines
FedEx

Falcon Aviation

Investment Options:

2 Engine Planes

Classified Section

General investment capital

Contact Information

kbc_kirkuk@yahoo.com

Kirkuk Passenger Terminal

For commercial flights to begin, Kirkuk must have an operational passenger terminal. Highlighted in the 2nd issue of the KBC Newsletter, the rail terminal is being considered for renovations for use as an air passenger terminal. The 2nd floor of the terminal is available for shops and restaurants. The terminal is located next to the airport and the compound contains a former hostel suitable for conversion to an airport hotel.

Investment Options:

Passenger Terminal Shops
Restaurants
Hotel

Contact Information

kbc_kirkuk@yahoo.com

Construction Materials

Silt/Sand Brick Factory

Project Description

This project is the construction of a silt and sand brick factory capable of providing inexpensive building materials for local construction. Silt and sand are the primary raw materials and the end product is approximately half the price of the concrete blocks currently available on the market (\$0.25 versus \$0.50). With cheap materials and low labor cost, properly managed, the potential profit margin makes this project very attractive. There are currently no silt and sand factories operating in the area. In cooperation with the local government, state assets may be leased to begin this operation. Mr. Noori has significant experience managing simi-

lar factories. See page 2 and page 4 of November 1 issue.

Project Head

Mr. Mazin Michael Noori

Assets

200,000 m² of land

Requested Investment:

\$150,000 USD

Contact Information

Kirkuk phone: 410-525

mazinmichael@yahoo.com

Silt/Sand Brick Factory

Project Description

Construction of silt and sand brick factory capable of providing inexpensive building material to the city.

Project Head

Yelmaz Noory

Sami Silum

Requested Investment:

2 Bulldozers

3 Trucks

Soil washing machine

Rock breaking machine

\$250,000

Contact Information

0096450 - 410 212

al_salihi@hotmail.com

GRP Pipe Factory

Project Description

Conversion of functioning asbestos pipe factory to glass reinforced plastic (GRP) pipes. Agriculture, sewage, and infrastructure projects rely heavily on non-metallic pipes. Iraq reportedly imports \$50 million of GRP pipes annually. Factory conversion is expected to take 10-12 months. Current retail price per meter for GRP pipes is listed below by gauge.

200mm—\$5

250mm—\$8

300mm—\$12

400mm—\$15

600mm—\$30

Project Head

Mr. Abdul Kareem

Assets

Operational asbestos factory with 83,000m² of land and multiple buildings with main facility measuring 210 X 24 X 16m.

Total Investment

\$5 million USD

Requested Investment:

Machinery and expertise, local partner is willing to cover all local costs for labor, goods, and services.

Contact Information

Kirkuk phone: 412-362

416-301

kircoun@yahoo.com

Concrete Block Factory

Project Description:

Construction of a factory capable of producing blocks for new construction and renovations in Kirkuk. Concrete blocks will vary in size with an 8,000 piece per day capacity. Excavation and transportation of 1 m³ of shingle and sand is \$4.

Project Head

Mr. Mufeed Behnam Towfiq

Current Assets:

Limited capital investment

40 hectares of land in industrial sector with 4' water wells

Requested Investment

\$60,000 USD

Contact Information

Local phone:

218-737

218-992

0096450810364

Fax: 00964-50-210-364

Concrete Block Factory

Project Description:

Construction of a factory capable of producing solid and hollow blocks for new construction and renovations in Kirkuk. Concrete blocks will vary in size with an 8,000 piece/day capacity. Excavation and transportation of 1 m³ of shingle and sand is \$4.

Classified Section

Project Head

Mr. Sami Ayab Sharif

Current Assets:

Limited capital investment and three buildings in Kirkuk industrial zone.

Requested Investment

-Central mixing machine (German)

-2 block compression machines

-Dump truck capable of hauling cement

Total estimated cost: \$175,000

Contact Information

Local phone:

415-888

kircocu@yahoo.com

AGRICULTURE

Irrigation Repair Part Factory

Project Description:

Construction of a factory capable of supplying agriculture repair parts for agriculture irrigation systems. Kirkuk and Mosul have begun large CPA funded irrigation projects and are relying on imported parts. Repair parts are in high demand in every sector in Iraq. There is currently no factory to support this region.

Project Head

Mr. Aladdin B Wali

Current Assets:

4,000m² land located in Kirkuk industrial park.

Capital for all local expenses including raw materials and labor.

Requested Investment

Building construction and machinery

Contact Information

Local phone:

410-850

Rafatwali@yahoo.com

Poultry Farm

This investment project pro-

poses construction of a poultry farm for mass production of chicken meat and eggs. The proposed location is 29 acres in area located in Chardaghlo district near Kirkuk. Eighteen long halls are proposed to be constructed. 8 halls will be used to process meat and the remainder to house egg production.

Project Head

Mr. Abdul Salam Salah Al din Kalt

Current Assets:

Assumption of all local costs to include labor and land. Has the capacity to construct poultry farm but wishes additional investment to modernize. See article on page 3 of November 1 issue.

Requested Investment

Funds to modernize new facility.

Contact Information

Local phone: 211629

Saz.company@yahoo.com

FOOD

Salt Factory

Project Description:

This opportunity is for the construction of a salt factory able to collect, purify, and package salt for distribution. See article of page 3 of November 1 issue.

Project Head

Mr. Jamal Ahmed Jalil

Current Assets:

Land

Requested Investment

Equipment and technical support: \$40,000

Contact Information

Local phone: 412-174

jamal_ahmed2004@yahoo.co.uk

Project Description:

Renovation of salt factory able to collect, purify, and package salt for distribution. Existing factory was damaged in war.

Project Head

Mr. Mohammed Jassim Mohammed

Current Assets:

Salt Factory (damaged)

Experienced labor

Requested Investment

Machinery

Expertise

Contact Information

Local phone:

00 964 50 410 130

kbc_kirkuk@yahoo.com

Soft Drink Factory

This project concerns the renovation of a damaged soft drink factory in Kirkuk. Introduction of canning line to existing bottling production. See page 3 of 15 October issue.

Current Assets:

Soft-drink factory (damaged)

Experienced labor

Requested Investment

\$125,000 machinery/parts

\$100,000 raw materials

Contact Information

Local phone: 212698

THURIYA 008821621137783

008821621139682

kbc_kirkuk@yahoo.com

Tomato Canning Plant

Creation of produce/canning facility. Kirkuk is the breadbasket of Iraq with a significant variety of produce. However canning facilities leave certain types of produce unavailable during the off-season and excess can not be efficiently exported or stored.

Project Head

Mr. Sabah Mohammed Ali

Current Assets:

Owner of operational construction material factory with limited investment capital.

Requested Investment

Boiler, machine press, filter, canning machinery, can fabricator.

Cost: \$400,000

Contact Information

Local phone: 212-703

Kirkukchamber@yahoo.com

PETROL INDUSTRY

Petrol & Convenience Store

Project Description

Currently there are long lines at the local petrol stations, often blocks long. This project addresses this need with the conversion of an ex-Iraqi petrol station into a one-stop shop with petrol distribution and limited food selection.

Project Head

Mr. Jamal Ahmed Jalil

Requested Investment:

\$200,000

Contact Information

Kirkuk phone: 412-174

Jamal_ahmed2004@yahoo.co.uk

ADDITIONAL OPPORTUNITIES

These are some industries for which the KBC has identified a significant demand but with little to no supply at the moment. If you are interested in investing or managing these listed businesses, please send an email to kbc_kirkuk@yahoo.com

Private Banking

A vast majority of banks in Kirkuk are public banks that rely on Baghdad for their support and direction. There are only 2 private banks in Kirkuk whose services do not currently exceed those of the state banks. A truly private bank offering a range of commercial and consumer services would encounter a rich market and zero competition. The Coalition Provisional Authority (CPA) issued a Bank Law (CPA Order 40 that clarifies

bank operations and investment in Iraq (see first page of 1 November newsletter for details).

Spare Parts Retail

There is a significant shortage of spare parts for all sectors of Iraqi industry. Shortages are especially evident in the automobile and agricultural sector. Currently, parts are being imported and given a poor distribution network, they are expensive and in short supply. The KBC has been approached by multiple Kirkuk businesses proposing the establishment of a spare parts factory or distribution center. If you are interested in this business and require a local partner please contact the KBC by email at kbc_kirkuk@yahoo.com.

Special Notice from the editors:

Companies who are seeking local partners in any investment or business endeavor are encouraged to contact the Kirkuk Chamber of Commerce and the Kirkuk Contractors Union.

Published by:

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